

107TH CONGRESS
2D SESSION

H. R. 5523

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to modify the terms of the community disaster loan program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 2, 2002

Mrs. MALONEY of New York (for herself, Mr. RANGEL, Mr. ISRAEL, Mr. NADLER, Mr. SERRANO, Mr. TOWNS, Mr. ENGEL, Mr. HINCHEY, Mrs. LOWEY, Mr. WEINER, Mr. OWENS, Ms. VELÁZQUEZ, Mr. McNULTY, Mr. KING, Ms. NORTON, Mr. MORAN of Virginia, and Mrs. MCCARTHY of New York) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

A BILL

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to modify the terms of the community disaster loan program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Community Disaster
5 Loan Equity Act of 2002”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) Major disasters, including disasters caused
2 by terrorist acts, often result in a decline in eco-
3 nomic activity in areas affected by the disaster and
4 a reduction in tax collections by State and local gov-
5 ernments serving those areas.

6 (2) A report of the General Accounting Office
7 entitled “Review of the Estimates for the Impact of
8 the September 11, 2001, Terrorist Attacks on New
9 York Tax Revenues”, dated July 26, 2002, esti-
10 mates that—

11 (A) for fiscal year 2002, tax revenue losses
12 for New York City will be \$1,600,000,000 and
13 tax revenue losses for the State of New York
14 will be \$1,600,000,000; and

15 (B) for fiscal year 2003, tax revenue losses
16 for New York City will be \$1,400,000,000 and
17 tax revenue losses for the State of New York
18 will be \$4,200,000,000.

19 (3) As a result of the major disaster caused by
20 terrorist attacks of September 11, 2001, the City of
21 New York also experienced substantial additional
22 unreimbursed disaster-related expenses of
23 \$650,000,000.

24 (4) Under the community disaster loan program
25 (in this section referred to as the “CDL program”),

1 as authorized by the Robert T. Stafford Disaster
2 Relief and Emergency Assistance Act, the President
3 may make loans to a local government suffering a
4 substantial loss of tax and other revenues as a result
5 of a major disaster, if the local government dem-
6 onstrates a need for financial assistance in order to
7 preform its governmental function.

8 (5) The President may cancel the repayment of
9 all or any part of a loan made to a local government
10 under the CDL program if revenues following the
11 disaster are insufficient to meet the operating budg-
12 et of that local government as a result of disaster-
13 related revenue losses and additional unreimbursed
14 disaster-related municipal operating expenses. In the
15 case of a major disaster resulting from a terrorist
16 attack, repayment of interest or principal on a loan
17 made under the CDL program should not be re-
18 quired.

19 (6) Assistance made available under the CDL
20 program is often instrumental in aiding the full re-
21 covery of a local government following a major dis-
22 aster.

23 (7) The Disaster Mitigation Act of 2000 estab-
24 lished a \$5,000,000 limitation on loans made to a
25 local government under the CDL program in connec-

1 tion with a major disaster. Before the date of enact-
2 ment of such Act, there was not any limitation on
3 the amount of such loans.

4 (8) The \$5,000,0000 limitation is inequitable
5 when applied to a local government serving a largely
6 populated area, such as New York City, and is in-
7 consistent with the objective of the CDL program to
8 provide meaningful assistance to a local government
9 recovering from a major disaster.

10 **SEC. 3. COMMUNITY DISASTER LOANS.**

11 (a) ELIGIBILITY OF STATES.—Section 417 of the
12 Robert T. Stafford Disaster Relief and Emergency Assist-
13 ance Act (42 U.S.C. 5184) is amended by striking “local
14 government” each place it appears and inserting “State
15 or local government”.

16 (b) AMOUNT.—Section 417(b) of such Act (42 U.S.C.
17 5184(b)) is amended—

18 (1) by striking “based on need, shall” and in-
19 serting “based on need and shall”; and

20 (2) by striking “, and shall not exceed
21 \$5,000,000”.

22 (c) MAJOR DISASTERS CAUSED BY TERRORIST AT-
23 TACKS.—Section 417 of such Act (42 U.S.C. 5184) is
24 amended by adding at the end the following:

1 “(e) MAJOR DISASTERS CAUSED BY TERRORIST AT-
2 TACKS.—The President shall not require the payment of
3 any interest or principal on a loan made under this section
4 to a State or local government which may suffer a sub-
5 stantial loss of tax and other revenues as a result of a
6 major disaster caused by a terrorist attack.”.

7 (d) APPLICABILITY.—The amendments made by this
8 section shall apply with respect to any major disaster oc-
9 ccurring on or after October 30, 2000.

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